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COUNTRY Bulgaria

SUBJECT Administration of the State Insurance Institute(DIZ)/  
Compulsory Methods

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1. "By the end of 1947 all private insurance companies in Bulgaria were nationalized and merged into the State Insurance Institute (DIZ) which thus became the only organization in the country authorized to deal in insurance.
2. "DIZ has its central offices in the building of the former Employees' Insurance Society on the Boulevard Rouski (formerly Boulevard Tsar the Liberator), near the former Royal Palace in Sofia.
3. "DIZ is headed by a board consisting of a Governor, Deputy Governor and several directors responsible for the various types of insurance ----- life, accident, transport, etc.
4. "At the time of the nationalization of the insurance business all assets of the companies and of private individuals were taken over by the State without compensation. The nationalization meant a hard blow also for the personnel of insurance companies, since some 50% of them were dismissed almost immediately and forcibly transferred to work in various factories. Only personnel with specialized qualifications were allowed to remain at their jobs. They are being gradually replaced by newly trained Communist personnel.
5. "The operation of the insurance business has been completely reorganized with nationalization. Directly after nationalization insurance agents who formerly worked on a straight commission basis were given fixed monthly salaries - 120 Leva per month on the average - plus a commission depending on the amount and type of insurance sold. In the case of fire insurance, for instance, the commission amounted to 20% of the premium. Thus, immediately after the nationalization insurance agents had good incomes and were often earning more than directors and

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executives. After the last currency reform [1952] the Bulgarian regime increased the monthly salary rates but reduced the amount of commission. This made a salary of 320 Leva plus a commission of 2% in the case of fire insurance agents. Similar salary and commission changes came into effect in all other branches of insurance.

5. "The present system has completely eliminated competition among insurance agents, since every agent has approximately the same fixed salary and has been assigned a fixed area within which to operate. Should he insure a client from another area than his own, he loses the right to claim the commission for such contract.
7. "The State Insurance Institute continues to pay out amounts due on previously contracted policies, but neither old nor newly insured persons have the right to discontinue policies. Fire insurance policies are forcibly renewed. If the insured refuses to continue payments, the insured property goes to the auctioneer.
8. "Life insurance policy premiums are paid in 52 installments. Each week the agent comes and sticks a stamp in the holder's insurance book. Life insurance policies cannot be discontinued. If a person attempts to discontinue his policy the State Insurance Institute arranges with his employer for automatic deductions of the premium installments from his salary. If the person loses his or her job and regular payments are interrupted because no such deductions can be made, the insured loses all claims to installments previously paid.
9. "At the beginning of 1953 rumors were circulating in Bulgaria that compulsory life insurance would be introduced for all."

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